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FM AMEMBASSY THE HAGUE
TO RUEHC/SECSTATE WASHDC PRIORITY 8298
INFO RUEHTRO/AMEMBASSY TRIPOLI PRIORITY
RUEHAT/AMCONSUL AMSTERDAM PRIORITY 2328
RUEHFT/AMCONSUL FRANKFURT PRIORITY 3647
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY 0442
RHEHNSC/NSC WASHDC PRIORITY
RUEAHLK/HOMELAND SECURITY CENTER WASHINGTON DC PRIORITY
RHMFIUU/FBI WASHDC PRIORITY
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UNCLAS THE HAGUE 000345

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SENSITIVE
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STATE FOR EB/ESC/TFS (KLEAHY), EB/ESC/TFS (LCANON)
STATE ALSO FOR S/CT (PHILL), S/CT FINANCE (GALER, NOVIS)
STATE ALSO FOR EUR/UBI (RREITER), EUR/PGI, EUR/ERA (PWALKER)
TREASURY FOR TFFC AND OFAC

E.O. 12958: N/A

TAGS: [EFIN](#) [ETTC](#) [KTFN](#) [LE](#) [PREL](#) [PTER](#) [KCRM](#) [NL](#)

SUBJECT: TERRORIST FINANCE: DUTCH ON ILLICIT CASH COURIERS

REF: STATE 16120

C O R R E C T E D COPY (ADDING EU MEMBER STATES)

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ACCORDINGLY.

¶1. (SBU) The Dutch Ministry of Finance (MOF) is hopeful that a soon to be implemented EU regulation will help detect and prosecute bulk cash smugglers. In a February 22 conversation, MOF official Paul ten Westeneind, Policy Officer, Integrity Division, told Econoff that the environment for combating bulk cash smuggling in the Netherlands is improving. This, he said, is due primarily to a new regulation -- to be effective in a couple months -- implementing EU Regulation 1889/2005 on controls of cash entering or leaving the European Community. Under this regulation, all travelers exiting the EU must report cash in excess of 10,000 euros or face criminal charges. Previously, travelers found with bulk cash by the Royal Netherlands Marechaussee (KMAR, a military police force responsible for border control) had to provide good justification or be suspected of money laundering, ten Westeneind said, but there was no reporting requirement or criminal penalties. 1889/2005 therefore addressed a "gap" that cash couriers were exploiting. He predicted that implementation of the regulation would generate increased awareness of the issue within the government and amongst the public.

¶2. (SBU) Ten Westeneind noted that enforcement could be the primary weakness of the new regulation. With only a minority of travelers being checked, or "sniffed," it would be impossible to catch everything, he said. For example, the regulation did not address illegal cash mailings through the post.

¶3. (SBU) Regarding transatlantic information sharing, ten Westeneind said the Dutch Financial Intelligence Unit works regularly with the USG, and that there were frameworks in place to govern information exchanges.
BLAKEMAN